

REMARKS:

Claims 2, 3, 9, 10, 16, and 17 have been cancelled without prejudice. Claims 1, 4-8, 11-15, and 18-43 remain pending in the present application.

Claims 1, 4-8, 11-15, and 18-43 stand rejected under 35 U.S.C. § 103(a) over U.S. Patent No. 6,047,290 to Kennedy et al. ("Kennedy") in view of Hillier et al., "Introduction to Operations Research" ("Hillier").

By this Amendment, claim 1 has been amended to include the limitations of claims 2 and 3, claim 8 has been amended to include the limitations of claims 9 and 10, and claim 15 has been amended to include the limitations of claims 16 and 17. Claims 2, 3, 9, 10, 16, and 17 have been cancelled without prejudice. Claim 24 has been amended to depend from claim 1, claim 30 has been amended to depend from claim 8, claim 36 has been amended to depend from claim 15, claim 42 has been amended to depend from claim 22, and claim 43 has been amended to depend from claim 43. Applicants expressly reserve the right to pursue broader claims in this or another application.

Reconsideration and withdrawal of the outstanding rejections is respectfully requested in light of the above amendments and following remarks.

REJECTION UNDER 35 U.S.C. § 103:

Claims 1, 4-8, 11-15, and 18-43 stand rejected under 35 U.S.C. § 103(a) over Kennedy in view of Hillier. This rejection is respectfully traversed.

Claim 1 as amended recites, in part:

adjusting the optimized supply chain plan to satisfy the constraint,
wherein adjusting the optimized supply chain plan comprises:
repeating the following until a last upstream buffer is reached:
selecting a buffer;
adjusting one of (a) the quantity of items at the selected buffer,
and (b) at least one time value of the time variable of the selected buffer, to
satisfy the constraint; and
proceeding to a next upstream buffer; and
repeating the following until a last downstream buffer is reached:
selecting a buffer;

planning production to either (a) supply the items to the selected buffer at the adjusted time value, or (b) supply the adjusted quantity of items to the selected buffer; and proceeding to a next downstream buffer.

Thus, claim 1 as amended includes limitations similar to those recited by claims 2 and 3, which have been cancelled.

Kennedy and Hillier, whether considered separately or in combination, both fail to disclose or suggest all of the limitations of claim 1, including the specific limitations quoted above. For example, Kennedy and Hillier adjusting an optimized supply chain plan by repeating the steps of selecting a buffer, adjusting a quantity of items or time value of a time variable, and proceeding to a next upstream buffer until a last upstream buffer is reached, and also repeating steps of selecting a buffer, planning to either supply items at the adjusted time value or supply the adjusted number of items, and proceed to a next downstream buffer until a last downstream buffer is reached.

In light of the above, it is respectfully submitted that claim 1, and claims 4-7, 24-29 and depending from claim 1, are in condition for allowance, and notice to that effect is respectfully requested.

Claims 8, 15, 22, and 23 include limitations similar to the limitations of claim 1 discussed above. Therefore, the discussion above in connection with claim 1 applies equally to claims 8, 15, 22, and 23, as well as claims 11-14 and 30-35 which depend from claim 8, claims 18-21 and 36-41 which depend from claim 15, claim 42 which depends from claim 22, and claim 43 which depends from claim 23.

Accordingly, it is respectfully submitted that claims 1, 4-8, 11-15, and 18-43 are in condition for allowance, and notice to that effect is respectfully requested.

THE LEGAL STANDARD FOR OBVIOUSNESS REJECTIONS UNDER 35 U.S.C. § 103:

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable

expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991); M.P.E.P. § 2142. Moreover, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 U.S.P.Q. 580 (CCPA 1974). If an independent claim is nonobvious under 35 U.S.C. § 103, then any claim depending therefrom is nonobvious. *In re Fine*, 837 F.2d 1071, 5 U.S.P.Q.2d 1596 (Fed. Cir. 1988); M.P.E.P. § 2143.03.

With respect to alleged obviousness, there must be something in the prior art as a whole to suggest the desirability, and thus the obviousness, of making the combination. *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561 (Fed. Cir. 1986). In fact, the absence of a suggestion to combine is dispositive in an obviousness determination. *Gambro Lundia AB v. Baxter Healthcare Corp.*, 110 F.3d 1573 (Fed. Cir. 1997). The mere fact that the prior art can be combined or modified does not make the resultant combination obvious unless the prior art also suggests the desirability of the combination. *In re Mills*, 916 F.2d 680, 16 U.S.P.Q.2d 1430 (Fed. Cir. 1990); M.P.E.P. § 2143.01. The consistent criterion for determining obviousness is whether the prior art would have suggested to one of ordinary skill in the art that the process should be carried out and would have a reasonable likelihood of success, viewed in the light of the prior art. Both the suggestion and the expectation of success must be founded in the prior art, not in the Applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991); *In re O'Farrell*, 853 F.2d 894 (Fed. Cir. 1988); M.P.E.P. § 2142.

A recent Federal Circuit case makes it clear that, in an obviousness situation, the prior art must disclose each and every element of the claimed invention, and that any motivation to combine or modify the prior art must be based upon a suggestion in the prior art. *In re Lee*, 61 U.S.P.Q.2d 1430 (Fed. Cir. 2002). Conclusory statements regarding common knowledge and common sense are insufficient to support a finding of obviousness. *Id.* at 1434-35.

CONCLUSION:

In view of the foregoing amendments and remarks, this application is considered to be in condition for allowance, and early reconsideration and a Notice of Allowance are earnestly solicited.

The undersigned hereby authorizes the Director to charge any fees that may be required, or credit any overpayments, to **Deposit Account No. 500777**. If an extension of time is necessary for allowing the Amendment to be timely filed, this document is to be construed as also constituting a Petition for Extension of Time Under 37 C.F.R. § 1.136(a) to the extent necessary. Any fee required for such Petition for Extension of Time should be charged to **Deposit Account No. 500777**.

Please link this application to Customer No. 53184 so that its status may be checked via the PAIR System.

Respectfully submitted,

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Date



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